

Summary of Legislation

2024



Natural Resources and Environment

Introduction

During the 2024 legislative session, the General Assembly considered several measures related to natural resources and environment; including addressing oil and gas production, renewable energy, and sustainability.

Oil and Gas Production

The oil and gas industry is a long-standing industry providing over 300,000 jobs and making up 3.3 percent of Colorado's GDP¹. [Senate Bill 24-230](#) creates new oil and gas production fees to be used to expand public transit service, frequency, ridership, rail projects, and wildlife and land remediation.

[Senate Bill 24-229](#) limits pollutant emissions from oil and gas operations, modifies the enforcement of air quality requirements, requires additional enforcement reports, establishes community liaisons in the Energy and Carbon Management Commission (ECMC), and allows for the plugging of marginal oil and gas wells.

Marginal oil and gas wells, also known as stripper wells, are low producing and at the end of their life, while orphaned wells are

completely abandoned. These wells pollute local groundwater and emit noxious gases such as methane. As of February 2024, the Energy and Carbon Management Commission stated there are 1,410 orphaned sites and 649 wells remaining to be plugged. With over 47,000 active wells in Colorado, plugging of marginal wells will mitigate the disproportionate methane emissions that wells at the end of their useful life produce.

Renewable Energy

In February 2024, Governor Polis released the [Colorado Greenhouse Gas Pollution Reduction Roadmap 2.0](#), which describes the state's climate targets. Renewable energy is a priority in reaching that goal. In 2023, renewable sources accounted for 39 percent of the state's total electricity generation.²

[Senate Bill 24-212](#) requires state agencies to provide technical support to local and tribal governments for renewable energy projects. The ECMC may be requested to assist local and tribal governments in the development for renewable energy local codes and reviewing proposed renewable energy projects.

In an effort to improve solar energy generation and affordability, [Senate Bill 24-](#)

¹ <https://www.coga.org/factsheets/oil-gas-colorado-economy#:~:text=Job%20Creation%20and%20Economic%20>

[Contribution,7.7%25%20of%20Colorado's%20total%20employment.](#)

² <https://www.eia.gov/state/print.php?sid=CO>

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[207](#) establishes a process by which electric utilities must make available electricity generated by inclusive community solar facilities. Additionally, any investor-owned utility company with more than 50,000 customers must acquire dispatchable distributed generation systems.

Sustainability

The federal [Inflation Reduction Act of 2022](#) created a number of tax credits related to energy production, clean fuels, and carbon sequestration. In alignment with with the state's Greenhouse Gas Pollution Roadmap 2.0 goals, [Senate Bill 24-214](#) establishes a coordinating method for state agencies to assist in leveraging federal funding. Additionally, the bill:

- creates a new Office of Sustainability within CDPHE;
- modifies the Geothermal Energy Grant Program and Energy Code Board administration;
- clarifies existing tax credits;
- establishes energy efficiency standards for certain construction projects;
- commissions a study on heat pumps; and
- requires voluntary electricity rates for utility customers who use heat pumps.

The U.S. Environmental Protection Agency states that environmental justice is the just treatment and meaningful involvement of all people regardless of income, race, color, national origin, Tribal affiliation, in agency

decision-making that affect human health and the environment.³

[House Bill 24-1338](#) creates the Office of Environmental Justice within the Colorado Department of Public Health and Environment (CDPHE) to increase state engagement with disproportionately impacted communities, develop CDPHE's environmental justice goals, support the department's water quality test program in mobile home parks, provide translation services for the department, and coordinate environmental justice work across Colorado. Additionally, CDPHE must establish a rapid response inspection team to respond to air quality complaints and hire an expert in air pollution control for petroleum refineries to assess petroleum refinery control regulations.

³ <https://www.epa.gov/environmentaljustice>

